

PARTNERING MEETING WITH ACEC

On 28 November 2000, HQUSACE staff held a very successful partnering meeting with the American Consulting Engineers Council (ACEC). The minutes are attached. The discussion topics included:

- USACE leadership and organization changes
- Review of major programs (Civil Works, Military and Environmental)
- Support for Others policy
- ACEC Federal Markets Conference (12 March 2001)
- USACE technical capability
- Updated USACE/ACEC partnering agreement
- Various A-E contracting topics (small business set-asides, website, revision of SFs 254/255 and training course)

We will be staffing the updated partnering agreement soon and are planning a signing ceremony between the Chief of Engineers and the ACEC President in early 2001. We will distribute the updated agreement when it is signed.

We encourage the MSCs and districts to continue their regional and local partnerships with ACEC. We would appreciate receiving the minutes of your meetings.

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SUMMARY OF PARTNERING MEETING HQ, U.S. ARMY CORPS OF ENGINEERS AND AMERICAN CONSULTING ENGINEERS COUNCIL 28 NOVEMBER 2000

1. **Introduction.** A regular partnering meeting between HQUSACE and ACEC was held on 28 November 2000, 1030-1600, at HQUSACE. HQUSACE was represented by Dwight Beranek (CECW-E), Bill Augustine (CECW-B), Larry Delaney (CECW-EA), Phil Hunt (CEMP-M), Bill Vogel (CEMP-R), Bert Jemmott (CEMP-RA), Mark Grammer (CECE-ETC), Laura Meeker (CECC-C), and Don Evick (CECW-ETE). ACEC was represented by Doug Hyde, Frank Nicoladis, Bob Besancon, Bill Mossbarger, Mark Grazioli, Richard Ulp, Steve Thomas, and Herb Dempsey.

2. **Opening Remarks.** Dwight Beranek welcomed the ACEC members to the new Corps headquarters in the GAO Building. The attendees introduced themselves. Mr. Beranek expressed the Corps' desire to get our relationship back on course after a setback concerning the Support for Others Program. Doug Hyde similarly stated that "ACEC was excited to be back at the table with the Corps" and to deal with issues as professionals.

3. **USACE Leadership and Organization.** Mr. Beranek reviewed recent changes in USACE leadership and organization. See Attachments 1 and 2.

a. Chief of Engineers. LTG Robert B. Flowers is the new Chief of Engineers. His last assignment was as Commander of the Maneuver Support Center at Fort Leonard Wood, which includes the Engineer School. He also was previously the commander of the Corps' Lower Mississippi Valley Division. LTG Flowers intends to carry forward the vision established by LTG Ballard but with a different style. No major turns in direction are envisioned. LTG Flowers' style is very inclusive. He is very committed to improving the Corps' teamwork with the private sector. His intent is to provide excellence with integrity and credibility, serve the Army and its transformation, be the Nation's advocate for effective water resources development, be a strong environmental steward, and seek consensus. LTG Flowers lists morale, Army transformation, support for others and Congressional relations as important issues. He is developing a strategic communications plan that will feature active listening and building coalitions. LTG Flowers sees a very bright future for the Corps. Finally, he is focussed on investing in people.

b. Military Programs. BG Steven Hawkins is the Deputy Commander for Military Programs. He replaces MG Milton Hunter who has moved up to be the Deputy Commander. Military Programs has four divisions: Environmental, Installation Support, Programs Management, and Interagency and International Services. The later division oversees the Support for Others Program and reviews potential corporate missions. Mr. Beranek briefly reviewed the mission of each division.

c. Civil Works. MG Hans Van Winkle is the Deputy Commander for Civil Works. Engineering and Construction (E&C) has been consolidated under Civil Works, but serves Military Programs as well. E&C issues technical doctrine and implements technology improvements. The other divisions in Civil Works are Program Management, Planning and Policy (a consolidation of previously separate divisions) and Operations. Mr. Beranek briefly reviewed the mission of each division.

4. **Civil Works Program.** Mr. Bill Augustine presented an overview of the FY 2001 Civil Works program. See Attachment 3. The FY 2001 appropriation is about \$4.544 billion, which is about 10% greater than FY 2000. This increase reflects positively on the integrity and credibility of the Corps of Engineers. The appropriation includes a substantial investment in environmental infrastructure. Most of the increase is in the Construction, General account, which helps to reduce the substantial backlog in unfunded construction. Congress funded 52 new construction starts in FY 2001, compared to a typical year of about 20 projects. Funds were appropriated for 68 new studies (General Investigations account), far greater than the 10 new study starts requested in the President's budget. This includes four comprehensive basin studies, where the Corps will lead and integrate a Federal-wide effort. Mr. Augustine referred the ACEC members to the following website for an overview of civil works planning and

budget process, including the Partnership Handbook:
<http://www.usace.army.mil/inet/functions/cw/cecwp/cecwp.htm>.

5. Military Program.

a. Mr. Phil Hunt discussed how the Corps is refining implementation of the Project Management Business Process (PMBP) and trying to achieve more uniformity across the entire organization. He also stated that the Corps is relooking at its approach to quality in the context of the PMBP. The project delivery team is the cornerstone of the PMBP and the vehicle for achieving quality. Mr. Doug Hyde, ACEC, asked about the status of ISO 9000 in the Corps. Mr. Hunt explained that the engineering division of two or three USACE districts are ISO 9001 certified. However, there is no USACE doctrine requiring ISO certification for our districts or our contractors, or is this anticipated. A new consolidated regulation on the PMBP and quality will be founded in ISO 9000 principles. Mr. Hyde mentioned that ACEC is developing a quality certification process for its members that should be available in June 2001.

b. After the discussion of project management and quality, Mr. Phil Hunt presented an overview of the FY 2001 Military Program. See Attachment 4. The FY 2001 program totals \$7.0 billion, which is a slight increase from last year. The largest component is Army MILCON (MCA) at \$1.468 billion, which includes family housing and non-appropriated fund projects. The focus of the MCA Program is barracks renovation and replacement, scheduled to be completed in CONUS in 2008. Another major emphasis in the Army is family housing revitalization. There is a move toward privatization in family housing, although the traditional approach will still be used as well. Army has directed that 25% of the MCA program be executed by design-build in FY 2002. The pressure to use design-build is due to the shortage of planning and design funds, the elimination of contingency funds, and the need to award in the year of appropriations. The two-phase design-build process is being increasingly used, except for family housing where the one-step process works well. The FY 2001 Air Force program, which is also focused on dormitories, will be 44% design-build as directed by that customer. With design-build, the same quality objectives are still maintained.

6. Environmental Program. Mr. Bill Vogel briefed the environmental program. See Attachment 5. The FY 2001 program is about \$1.2 billion, which is essentially all reimbursable work. About \$800 million is for the Army and \$400 million is other agencies (primarily EPA and DoE). He reviewed the components of the Army program, the largest elements being Environmental Quality and Formerly Used Defense Sites. In the support for others area, Brownfields is a small but growing program and a great target of opportunity. This is a multi-agency program to cleanup and reuse abandoned non-Federal property. Mr. Vogel also discussed the trial use of guaranteed fixed-price contracts, where a contractor commits to remediation of a site for a fixed price and obtains insurance to underwrite the risk.

7. Support for Others Program. There was no planned presentation on the Corps' Support for Others (SFO) Program. However, Doug Hyde asked how ACEC should communicate to its members about this program, especially the schools work. Mr. Beranek said that the Corps' policy on SFO was under review as a result of the Thomas Amendment to the Water Resources Development Act of 2000, which places tighter controls on the certification process for Corps' support to non-DoD agencies and state and local governments. Until a new SFO policy is developed, districts have been instructed to "go slow" on support for other agencies and all requests for work for state and local governments must come to HQUSACE for approval. No new work for school systems is to be undertaken at this time, although the work will continue steady for the District of Columbia schools. Mr. Beranek stated that USACE is best able to represent the Federal interest in projects and serves as an enabler. He said that the Corps certainly welcomes input from the private sector on its SFO policy. He envisioned that the revised SFO policy would probably set a narrower role for the Corps.

8. ACEC Federal Markets Conference. ACEC will sponsor a Federal Markets Conference in Washington, DC on 12 March 2001, similar to the one held this year. Dwight Beranek said that the Corps would be happy to participate in this conference. The other Federal agencies will include NAVFAC, GSA, State, and Bureau of Prisons. Agencies will describe their programs and processes, and any changes anticipated under the new Administration. There may be a panel to discuss design-build. ACEC will provide a draft agenda soon.

9. USACE Technical Capability.

a. Mr. Beranek stated that the Corps is now beginning a deliberate evaluation of its technical capability. What skills are needed today and in the future? How to recruit, develop and maintain this technical talent? How to be less dependent on workload fluctuations? What's the right balance between in-house capability and outsourcing? What is Corps' role versus the private sector's role? The USACE vision is to be the world's premier engineering organization with a world class workforce. The USACE Commander is willing to fully invest in achieving this goal. The Corps wants to be seen as a values-driven organization that adds value for our customers.

b. Mr. Beranek said the Corps would continue to do a certain amount of routine work for the purpose of training junior employees but most production work would be done by the private sector. More challenging work would be used to develop the journeyman-level technical staff. USACE would provide more high-end consulting and better integrate technology into its business processes. In summary, USACE would shift from production-based to knowledge-based. Also, there is a need to improve the training of project managers, both in the Corps and the private sector.

c. USACE is moving toward a national and regional model for technical expertise, instead of each district having full service capabilities. A Registry of Skills has been recently fielded which facilitates the leveraging of individual skills across the entire Corps. USACE staff will be encouraged to be more involved in professional

societies and be registered. The aim is for USACE personnel to match the level of competency of the private sector. One challenge is to develop metrics to assess the status of the USACE workforce. Private sector input is welcome.

10. Partnering Agreement. The group reviewed the updated USACE/ACEC partnering agreement that was drafted in November 1999. With a couple very minor changes, the group thought the updated agreement was still very sound and relevant. Hence, the USACE and ACEC members agreed to take action to have the agreement staffed through their respective organization and arrange a signing ceremony soon between the Chief of Engineers and the ACEC President.

11. A-E Contracting Program. Don Evick and Laura Meeker discussed four A-E contracting topics. See Attachment 7.

a. **Small Business Set-Asides.** Prior to August 1999, USACE did not set aside for small businesses any A-E contracts exceeding \$85,000 based on a legal opinion of the HQUSACE Chief Counsel that had been approved by the Army General Counsel. In August 1999, the HQUSACE Small Business Office instructed USACE offices to follow the policy in the DFARS (based on another interpretation of the statute) which prohibits set-asides only for MILCON-funded A-E contracts exceeding \$85,000. After considerable discussion, in June 2000, Army General Counsel reversed its earlier position and stated that only MILCON-funded contracts were exempt from set-aside. Hence, the DoD and Army policies are now compatible. Since USACE is well below the statutory goal for small business A-E contract awards, the A-E industry can expect to see more small business set-asides since the legal requirement to use set-asides for other work is now clear.

b. **USACE A-E Contracting Website.** Don Evick maintains a website with useful information and references on A-E contracting. It can be found at: http://www.hq.usace.army.mil/CEMP/C/a-e_contract.htm. (There is an underscore between "a-e" and "contract".)

c. **Revision of SFs 254/255.** Don Evick and Laura Meeker have been involved in an interagency group that has been developing a revision of SFs 254 and 255, to be called SF 330. The new form seeks to eliminate redundant and low-value information, simplify some information, expand essential information, and facilitate electronic usage. The new form should be published in the Federal Register in early January 2001 and be implemented in July 2001.

d. **USACE A-E Contracting Course.** As in the past, USACE has invited ACEC to nominate members to attend the USACE A-E Contracting course. Six sessions remain in FY 2001 at various locations around the country. ACEC can nominate two people per session. Tuition is waived. Details are given in the flyer provided to ACEC. Private sector participation enriches the training experience for USACE personnel and strengthens the partnership between USACE and the A-E community.

12. **Next Meeting.** The ACEC Federal Markets Conference in March 2001 will serve as the next partnering meeting. A regular partnering meeting will be held again in June 2001.

7 Attachments^{*}

^{*} Contact Don Evick (donald.evick@usace.army.mil or 202-761-4227) if you need any of the attachments. Provide you fax number.